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Report of the Trade and Development Board on its nineteenth executive session* (Geneva, 15 December 1998)

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* The present document is an advance version of the report of the Trade and Development Board on its nineteenth executive session, held at the United Nations Office at Geneva on 15 December 1998. It will appear in final form, together with the reports of the twentieth, twenty-first and twenty-second executive sessions and the forty-sixth session of the Board, as *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 15 (A/54/15/Rev.1)*.



INTRODUCTION

1. The nineteenth executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 15 December 1998. The executive session consisted of one meeting - the 901st plenary meeting of the Board. The agenda of the nineteenth executive session is reproduced in annex I below.

Introductory statements

2. The Secretary-General of UNCTAD said that the work of the Second Committee of the General Assembly had ended on a successful note from UNCTAD's point of view, thanks in large part to the constructive approach of delegations from all regions. As a reflection of the current economic crisis, the Committee's session had been characterized by a perceptible shift towards "hard-core" economic issues such as globalization and finance, relegating to a secondary level issues not regarded as of the same urgency. This had led to the formulation of new resolutions in some critical areas (e.g. globalization, financial crisis) and to a considerable qualitative improvement in some other resolutions in terms of their substantive contents and the role of the United Nations in interrelated areas of finance, trade, investment and sustainable development. UNCTAD had been requested by all groups to provide support throughout the negotiating process.

3. Several resolutions of direct relevance to UNCTAD had been adopted by consensus, and the resolution on trade and development had been co-sponsored by a broad and heterogeneous group, which augured very well for UNCTAD X.

preparations. The Assembly had mandated UNCTAD to undertake analysis of current trends in global financial flows and modalities to improve early warning, prevention and response capabilities for dealing with the emergence and spread of financial crisis in a timely manner, taking a comprehensive and long-term perspective, while remaining responsive to challenges of development and the protection of the most vulnerable countries and social groups. On commodities, new elements such as international support for industrial transformation in commodities had been highlighted, while on business and development, UNCTAD was requested to assist member States in implementing relevant conventions, declarations and instruments to combat corruption and bribery in international commercial transactions. On finance and related areas agreement had been reached on two key areas, namely the circumstances under which restrictions on short-term flows could be applied, and the need for a regulatory framework for currency trade. Concerning external debt, the agreed formulations on problems relating to debt workouts by countries hit by financial crisis and on the slow progress in the implementation of the World Bank/IMF HIPC initiative represented a significant advance in international consensus on the subject. On globalization and interdependence, a new resolution highlighted the role of UNCTAD in preparing the Secretary-General's report for the next session of the General Assembly. Finally, the Committee had adopted a resolution on the Third Conference on LDCs which had received widespread support.

4. Further to one of the United Nations Secretary-General's organizational reforms in the area of economics and development, work was well advanced on a new report on the world economy being produced jointly by UNCTAD and the Department of Economic and Social Affairs (DESA). Provisionally entitled *World Economic*

Prospects, this short and sharp publication would carry the authority of the whole of the United Nations. It was expected that the report would be published in January or February 1999.

5. With regard to the Partners for Development Summit, held in Lyon, France, in November 1998, some 170 states had been represented, and this very impressive turnout paid tribute to the success of an idea: that the pursuit of profit and of development were not mutually irreconcilable. It had also shown that concrete partnerships that served identified development goals could be established between Governments, businesses, large and small, development NGOs, and other actors, such as regional development banks, in what could be described as "variable geometry" configurations, tailored to circumstances and specific needs. Further time would be needed before firm conclusions could be drawn regarding the practical implications of this experiment, and a more considered, analytical assessment would be provided in the near future, possibly at the next executive session of the Board. The approach taken to the Partners for Development meeting had been a pragmatic one, involving the selection of topics or projects where conceptual and practical work was already well advanced within the secretariat, and the themes selected were not intended to reflect the full range of work carried out by UNCTAD. While the outcomes in most of the Lyon programme areas were very positive indeed, they did not, by any means, exhaust the potential inherent in this practical approach to meeting development needs. They served as further evidence of the value of linking analytical research with operational projects where UNCTAD could play the role of a matchmaker or neutral forum to help reconcile sometimes conflicting interests between the private sector, NGOs and Governments. Suggestions on how best to proceed, as well as feedback on the

initial batch of 18 partnerships officially launched in Lyon would therefore be very valuable.

6. He thanked the French Government as well as the City of Lyon for their unwavering support in this endeavour. The French Government's proposal that a centre be established in Geneva, linking UNCTAD to its natural partners in ITC and the WTO, to further business/NGO ties that could have a development impact was welcome, as was France's offer to help finance a small administrative unit in this regard.

7. The Lyon meeting had helped pave the way to UNCTAD. However, inputs from civil society could be obtained in different ways, and one such input could be in the form of "cahiers d'espérances". Through this device, borrowed from the pre-French revolution period, groups around the world concerned and knowledgeable about development-related issues could be invited to articulate their hopes and views in a productive fashion, feeding into the major development stocktaking exercise that would run parallel to the Conference itself. Any call to civil society worldwide needed to be well framed and organized, so as to capture the best thinking and the most relevant experiences. The secretariat was currently developing a structured programme of activities for development NGOs, academic institutes, trade unions and other civil society groups during 1999, to act as the vehicle for the upward channelling of these ideas to the Conference.

8. The representative of the United States of America, referring to the Partners for Development Summit, asked for confirmation that all the partnerships

entered into during the Summit had been cleared from the legal point of view at United Nations Headquarters in New York.

9. The Secretary-General of UNCTAD said that the partnerships had received legal clearance in Geneva in accordance with regular procedures and with the rules and regulations of the United Nations.

10. The representative of Bangladesh welcomed the fact that the Second Committee of the General Assembly had approved a draft resolution relating to the Third United Nations Conference on the Least Developed Countries. The preparations for the Conference should now be launched. He further welcomed the success of the Partners for Development Summit, and he noted that the WTO had received a complete report from the Executive Secretary of the Summit, which represented a good example of inter-organizational cooperation. His Government considered that civil society had a positive role to play in development, and in Bangladesh the Government and NGOs were working hand in hand in the field of micro lending, as a result of which a real breakthrough in terms of escaping the poverty trap now seemed possible. Bangladesh would be pleased to help evolve mechanisms to integrate the endeavours of NGOs into cooperative activities involving civil society, UNCTAD, WTO and ITC.

11. The representative of Brazil said that it would be useful if the members of UNCTAD could also have a complete report from the Executive Secretary of the Partners for Development Summit.

I. DRAFT PROVISIONAL AGENDA FOR UNCTAD X

(Agenda item 2)

12. The President recalled that, at its forty-fifth session, the Board had requested the Secretary-General of UNCTAD to prepare and submit to delegations, through the Bureau, a draft provisional agenda for UNCTAD X for the purposes of consultations with a view to approving the provisional agenda at the Board's nineteenth executive session. On 4 November 1998, the Secretary-General of UNCTAD had made available his proposal for the substantive item of the draft provisional agenda for UNCTAD X as a broad framework for discussion, and a first exchange of views had taken place on that occasion. Since then, consultations had been held within and among groups, and Ambassador Benjelloun (Morocco), in his capacity as Chairman of the Preparatory Committee of the Group of 77 for UNCTAD X, had been leading these discussions within the Group of 77 and on behalf of the Group of 77 with other delegations and groups.

13. The representative of Morocco, speaking in his capacity as Chairman of the Preparatory Committee of the Group of 77 for UNCTAD X, appealed to all delegations not to spend too much time on negotiating the agenda for UNCTAD X, since doing so would reduce the time available for the more important substantive discussions that would follow. He hoped that consensus could be reached on the provisional agenda for the Conference by the end of January 1999.

Action by the Board

14. The Board decided that, since further time was needed to reach agreement in the ongoing informal consultations, the draft provisional agenda for UNCTAD X would be taken up at the next executive session of the Board or in the monthly consultations of the President of the Board.

**II. REVIEW OF THE FUNCTIONING OF THE INTERGOVERNMENTAL WORKING GROUP
OF EXPERTS ON INTERNATIONAL STANDARDS OF ACCOUNTING
AND REPORTING AND THE INTERGOVERNMENTAL GROUP
OF EXPERTS ON COMPETITION LAW AND POLICY**

(Agenda item 3)

15. The President said that the Bureau of the Board, acting on the basis of the outcome of the Mid-term Review (TD/B(EX-18)/4), had agreed to a review of the functioning of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting and the Intergovernmental Group of Experts on Competition Law and Policy. The item had been inscribed on the agenda of the consultations of the President of the Board on 4 November 1998, and at those consultations it had been decided that the Vice-President of the Board (Uganda) should conduct informal consultations on that matter on behalf of the President and report his findings to the nineteenth executive session of the Board.

16. The representative of Uganda, speaking in his capacity as Vice-President of the Board, said that consultations had been held on 30 November 1998, but it had been felt that it would not be possible to complete the task at hand in time for the Board's nineteenth executive session, firstly because delegations needed more time to consult and secondly because the necessary interpretation facilities were not available. In that connection, some delegations had insisted that no consultations could be held unless interpretation was provided into all official languages. At the consultations, it had been suggested that, in addition to the

inputs provided by the secretariat, the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting should undertake a self-assessment, as had been done by the Intergovernmental Group of Experts on Competition Law and Policy in July 1998. It was therefore proposed that the deadline for the consultations on this issue should be extended to March 1999 and the outcome of the consultations reported to the following executive session of the Board. The Board could also request the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting to conduct a brief review of the functioning of the work of the Group with a view to providing substantive inputs or expert views to the consultations.

Action by the Board

17. The Board took note of the report of the Vice-President of the Board (Uganda), speaking in his capacity as Chairman of the informal consultations on the functioning of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting; decided to extend the Vice-President's mandate in order to allow the resumption of consultations in March 1999; and requested the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting to conduct a brief review of the functioning of the Group with a view to providing the consultations with substantive inputs or expert views.

III. REPORTS OF THE SUBSIDIARY BODIES OF THE BOARD

(Agenda item 4)

(a) Report of the Working Party on the Medium-term Plan and the Programme Budget on its thirty-second session

18. The representative of Morocco, speaking in his capacity as Chairman of the Working Party at its thirty-second session, said that the Working Party had held its resumed thirty-second session on 10-11 November but had not been able to complete its work. With regard to the evaluation of the Trade Point programme, a discussion had been held involving the States members, the independent evaluation team and the secretariat. However, eight of the evaluation team's 15 recommendations remained to be discussed. Concerning partial cost recovery (PCR) for selected technical cooperation programmes, five informal consultations had been convened pursuant to the decision of the Board at its forty-fifth session, and a number of proposals had been put forward by the secretariat and by member States on the modalities for PCR. Considerable progress had been made, and the Working Party felt that it was close to reaching a compromise that could provide a basis for a decision on PCR, but it had not had enough time to complete its discussions. With respect to the rolling three-year technical cooperation plan, once again there had not been enough time to conclude the work satisfactorily. He therefore suggested that the Board accord the Working Party two days of consultations in order to complete its work on the issues before it.

Action by the Board

19. The Board took note of the report of the Chairman of the Working Party and agreed to his recommendation to convene consultations to address outstanding issues relating to partial cost recovery for selected UNCTAD technical cooperation programmes, the rolling three-year technical cooperation plan for 1999-2001, and the in-depth evaluation of the Trade Point programme. The consultations would be convened on 14-15 January 1999, as a result of which the thirty-third session of the Working Party would be rescheduled to 25-29 January 1999. The twentieth executive session of the Board would be held on 5 February 1999.

(b) Reports of the Commissions on their third sessions

20. The President said that, according to paragraph 9 of Trade and Development Board decision 446 (EX-16), the Board should examine and evaluate the work of the Commissions and determine the direction of new work; it should not just take note of the Commissions' reports. However, the Mid-term Review had just been concluded in October, and he suggested that the Board therefore limit its discussions on the Commissions' work at the present session.

(i) Report of the Commission on Trade in Goods and Services, and Commodities on its third session

21. The representative of Tunisia, speaking in her capacity as Vice-Chairperson of the Commission on Trade in Goods and Services, and Commodities

and introducing the report of the Commission (TD/B/45/10), said that the deliberations of the Commission had yielded substantive and far-reaching results in terms of agreed conclusions, the future agenda and the topics for expert meetings. The Commission's excellent results in effect challenged the international community, UNCTAD member States and the UNCTAD secretariat to deliver concrete progress in terms of expanding trade of developing countries and the least developed countries in particular. Such progress should be marked by increased trade under trade preferences and trade in specific services sectors in which developing countries had a comparative advantage. The deliberations of the Commission had been greatly facilitated by the expert meetings that had been held. The discussion of issues in these meetings had been of a high technical calibre, and had provided useful advice on policy research and the exchange of experience.

Action by the Board

22. The Board took note of the report of the Commission on its third session and endorsed the Commission's agreed conclusions.

(ii) Report of the Commission on Investment, Technology and Related Financial Issues on its third session

23. The representative of Japan, speaking in his capacity as Vice-Chairperson of the Commission on Investment, Technology and Related Financial Issues and introducing the report of the Commission (TD/B/45/9), said that the Commission's third session had been successful in terms of both its substantive

discussions and its outcome. The Commission had had fruitful exchanges of views on recent developments in foreign investment trends and policies and on the development dimension of a possible multilateral framework on investment, and it had adopted agreed conclusions.

24. The representative of the United States of America asked for information on the status of the technical papers on international investment issues which the secretariat was to produce.

25. The representative of the UNCTAD secretariat said that six papers were due for release by the end of January 1999 and the rest were scheduled to appear in 1999. A number of the papers dealt with topics that had not been covered in the existing literature and which were very sensitive. Every effort was therefore being made to produce material of high quality.

26. The representative of India said he shared the concern of the United States and regretted the delay in the production of the papers in question. The topics dealt with were indeed complex, but that was precisely why member States were particularly interested in them. The preparation of the papers should therefore be expedited, and the secretariat should not be overly concerned with the sensitivity of the topics involved.

Action by the Board

27. The Board took note of the report of the Commission on its third session and endorsed the Commission's agreed conclusions.

(iii) Report of the Commission on Enterprise, Business Facilitation and Development

28. The representative of Ecuador, speaking in his capacity as Vice-Chairperson of the Commission on Enterprise, Business Facilitation and Development and introducing the report of the Commission (TD/B/COM.3/L.8-11), said that the Commission's third session had been successful in terms of both its substantive discussions and its outcome. With regard to enterprise development and inter-firm cooperation and clustering, the discussions had highlighted finance as a critical element, as well as awareness of international product standards. On electronic commerce, the discussions had highlighted the importance of electronic commerce for development and the role that UNCTAD could play in that connection.

Action by the Board

29. The Board took note of the report of the Commission on its third session and endorsed the Commission's agreed conclusions.

(c) Administrative arrangements for the International Trade Centre UNCTAD/WTO

30. The representative of Morocco, speaking in his capacity as Chairman of the thirty-first session of the Joint Advisory Group (JAG) of the International Trade Centre, recalled that the question of the revision of the administrative arrangements for the International Trade Centre had been considered by the Advisory Committee on Administrative and Budgetary Questions (ACABQ), which had

recognized the special situation of ITC and the need for simplified budgetary procedures responding to the concerns of WTO and conserving the role of the United Nations in the financial administration of the Centre. The proposals of ACABQ (A/53/7/Add.3) had been considered in October 1998 by the Fifth Committee, which had requested the Trade and Development Board and the JAG of ITC to consider the proposals on new administrative arrangements for ITC and further requested those bodies to submit their comments as a matter of priority for its consideration.

31. In his capacity as Chairman of the thirty-first session of JAG, he had organized a series of meetings where the proposals of ACABQ had been submitted to both members of WTO and members of UNCTAD prior to the meeting of JAG on 11 November. The proposals had been endorsed and a letter subsequently sent to the Chairman of the Board and to the Chairman of the Fifth Committee advising them of the endorsement. In compliance with paragraph 107 (e) of "A Partnership for Growth and Development", on 16 November 1998 the Bureau of the Board had also endorsed the proposals, and a letter communicating this endorsement had been sent to the Chairman of the Fifth Committee. The Fifth Committee had considered the matter on 2 December 1998. In an introductory statement to the Committee, he had called for greater coherence between Geneva-based institutions dealing with Trade and Development and better coordination between members of delegations in New York and Geneva. He had also insisted on the fact that ITC was a technical cooperation organization and that the proposed revision was only a technical matter, although it would increase the accountability of the institution. The Chairman of the Fifth Committee had proposed that the Committee take note of the note of the Secretary-General

contained in document A/C.5/53/38 and endorse the administrative arrangement for the International Trade Centre UNCTAD/WTO, as contained in paragraph 11 of the report of ACABQ, and the General Assembly had now approved this arrangement.

Action by the Board

32. The Board took note of the oral report of the Chairman of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO at its thirty-first session (Morocco), as well as of the action taken by the General Assembly on administrative arrangements for the International Trade Centre.

IV. INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

(Agenda item 5)

A. Opening of the session

33. The nineteenth executive session of the Trade and Development Board was opened on 15 December 1998 by Mr. Chak Mun See (Singapore), President of the Board.

B. Bureau of the nineteenth executive session

34. There being no change in the elected officers of the Bureau since the forty-fifth session, the Bureau of the Board at its nineteenth executive session was as follows:

President:	Mr. Chak Mun See	(Singapore)
<u>Vice-Presidents:</u>	Mr. Nobutoshi Akao	(Japan)
	Mr. Carlos Amat Fores	(Cuba)
	Mr. Petko Draganov	(Bulgaria)
	Mr. Savitri Kunadi	(India)
	Mr. Roderic M.J. Lyne	(United Kingdom of Great Britain and Northern Ireland)

Mr. Syargei Mikhnevich (Belarus)

Mr. Alphonse Oseku (Uganda)

Mr. Carlos Pérez del Castillo (Uruguay)

Mr. Raimundo Pérez-Hernández (Spain)

Mr. Mounir Zahran (Egypt)

Rapporteur: Mr. Philippe Merlin (France)

C. Adoption of the agenda

(Agenda item 1)

35. The Board adopted the provisional agenda for its nineteenth executive session (TD/B/EX(19)/1), as orally amended by the President. (For the agenda as adopted, see annex I).

D. Institutional, organizational, administrative and related matters

(Agenda item 5)

- (a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

36. The Board approved the application of the South Centre to be designated under rule 76 of the rules of procedure to participate in the deliberations of the Conference, the Board and its subsidiary organs. (For information on the South Centre, see document TD/B/EX(18)/R.3.)

(b) *Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board*

37. The Board approved the applications of three non-governmental organizations for inclusion in the list provided for in rule 77 of the Board's rules of procedure and decided, in accordance with the recommendation of the Secretary-General of UNCTAD and the Bureau, to classify them as follows:

General category

Institute for Agriculture and Trade Policy (IATP) (TD/B/EX(19)/R.4);

Special category

Advanced Networked Cities and Regions Association (ANCARA) (TD/B/EX(19)/R.1), to participate in the work of the Commission on Enterprise, Business Facilitation and Development;

International Council of Nurses (ICN) (TD/B/EX(19)/R.2), to participate in the work of the Commission on Trade in Goods and Services, and Commodities.

38. The Board was also informed that, in conformity with the provisions of Board decision 43 (VII), sections III and IV, and after consultation with the Government concerned (India), the Secretary-General of UNCTAD had included the All India Association of Industries in the register of national non-governmental organizations. (For information on this organization, see document TD/B/EX(19)/L.1).

39. The Board further approved the request of the International Centre for Trade and Sustainable Development (ICTSD), a non-governmental organization which had been granted status in the special category at the sixteenth executive session of the Board, to be reclassified in the general category, in accordance with paragraph 12 (a) of Board decision 43 (VII).

E. Other business

(Agenda item 6)

Approval of the membership of the Working Party for 1999

40. The Board approved the membership of the Working Party on the Medium-term Plan and the Programme Budget for 1999, as follows: Brazil; Bulgaria; China; Egypt; Ethiopia; France; Guatemala; Iran (Islamic Republic of); Japan; Kenya; Malaysia; Netherlands; Philippines; Russian Federation; Slovakia;

Turkey; United Kingdom of Great Britain and Northern Ireland; United States of America; Uruguay.

Secretariat staffing

41. The representative of the United States of America requested information on the progress made in filling the two remaining senior-level vacancies in the UNCTAD secretariat. She also noted that three posts of director were filled by nationals from developed countries, and expressed the hope that the two vacant posts in question could be filled by nationals from developing countries.

42. The Deputy Secretary-General of UNCTAD said that, unfortunately, the candidate selected for the remaining unfilled director post had withdrawn and the selection process had had to be relaunched. It was expected that a new recommendation to the Secretary-General of UNCTAD would be made in February. Other vacant posts were in the process of being filled in accordance with United Nations rules and regulations. With regard to the post of Chief of Administration, a restructuring had been proposed which would allow some streamlining in the area of administration and programme support, and the proposal was under consideration at United Nations Headquarters.

7. Report of the Board on its nineteenth executive session

(Agenda item 7)

43. The Board authorized the Rapporteur to complete the report on its nineteenth executive session under the authority of the President.

ANNEXES

Annex I

AGENDA FOR THE NINETEENTH EXECUTIVE SESSION OF THE BOARD

1. Adoption of the agenda
2. Draft provisional agenda for UNCTAD X
3. Review of the functioning of the Intergovernmental Group of Experts on International Standards of Accounting and Reporting and the Intergovernmental Group of Experts on Competition Law and Policy
4. Reports of subsidiary bodies of the Board:
 - (a) Report of the Working Party on the Medium-term Plan and the Programme Budget on its thirty-second session
 - (b) Reports of the Commissions on their third sessions:
 - (i) Report of the Commission on Trade in Goods and Services, and Commodities on its third session

(ii) Report of the Commission on Investment, Technology and
Related Financial Issues on its third session

(iii) Report of the Commission on Enterprise, Business Facilitation
and Development on its third session

(c) Administrative arrangements for the International Trade Centre
UNCTAD/WTO

5. Institutional, organizational, administrative and related matters:

(a) Designation of intergovernmental bodies for the purposes of rule 76
of the rules of procedure of the Board

(b) Designation of non-governmental organizations for the purposes of
rule 77 of the rules of procedure of the Board

6. Other business

- Approval of the membership of the Working Party for 1999

7. Report of the Board on its nineteenth executive session

Annex II

ATTENDANCE 2/

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Algeria	Ecuador
Argentina	Egypt
Austria	Ethiopia
Bangladesh	Finland
Belarus	France
Belgium	Gabon
Bhutan	Germany
Bolivia	Ghana
Brazil	Guatemala
Bulgaria	Haiti
Burundi	Honduras
Canada	India
Chile	Indonesia
China	Iran (Islamic Republic of)
Costa Rica	Iraq
Croatia	Ireland
Cuba	Italy
Czech Republic	Japan
Denmark	Jordan

Kenya	Spain
Madagascar	Sri Lanka
Malaysia	Sweden
Malta	Switzerland
Mexico	Thailand
Morocco	The Former Yugoslav
Myanmar	Republic of Macedonia
Nepal	Trinidad and Tobago
Netherlands	Tunisia
Nigeria	Turkey
Norway	Uganda
Oman	Ukraine
Pakistan	United Kingdom of Great
Panama	Britain and Northern Ireland
Paraguay	United States of America
Peru	Uruguay
Philippines	Venezuela
Poland	Viet Nam
Portugal	Yemen
Republic of Korea	Zambia
Russian Federation	Zimbabwe
Singapore	
Slovakia	

2/ For the list of participants, see TD/B/19(EX)/INF.1.

2. The following other State member of UNCTAD, not a member of the Board, was represented as an observer at the session:

Rwanda

3. The following intergovernmental organizations were represented at the session:

Agency for Cultural and Technical Co-operation
Arab Labour Organization
European Community
League of Arab States
Organization of the Islamic Conference

4. The following specialized agencies and related organization were represented at the session:

International Labour Organization
Food and Agriculture Organization of the United Nations
International Monetary Fund
World Intellectual Property Organization
World Trade Organization

5. The International Trade Centre UNCTAD/WTO was represented at the session.

6. The following non-governmental organizations were represented at the session:

General Category

International Chamber of Commerce
International Confederation of Free Trade Unions
International Council of Environmental Law
World Confederation of Labour
World Federation of United Nations Association



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Report of the Trade and Development Board on its twentieth executive session* (Geneva, 5 February 1999)

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INTRODUCTION

(i) The twentieth executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 5 February 1999. The executive session consisted of one meeting - the 902nd plenary meeting of the Board. The agenda of the twentieth executive session is reproduced in annex I below.

Chapter I**TEXT ADOPTED BY THE TRADE AND DEVELOPMENT BOARD****AT ITS TWENTIETH EXECUTIVE SESSION**

Substantive agenda item for UNCTAD X and related statements^{1/}

Developmental strategies in an increasingly interdependent world:

applying the lessons of the past to make globalization an

effective instrument for the development of all countries

and all people

The developmental impact of globalization has been mixed: while some developing countries have benefited, others have not. Economic disparities among countries have not been reduced, with the result that a number of developing countries, particularly the LDCs, run the risk of further marginalization. Tensions and imbalances of a systemic nature have also arisen, and, given the high degree of interdependence in the world economy, the risk of financial

^{1/} The substantive agenda item and the annotation to it were approved by the Trade and Development Board at its twentieth executive session on 5 February 1999. The statement by the President of the Trade and Development Board was delivered at the twentieth executive session. The statements by the representative of Morocco and the representative of Germany were delivered at the consultations of the President of the Trade and Development Board on 3 February 1999.

upheavals spreading across other countries and regions has greatly increased. The international community should undertake a rigorous and balanced review of the policy and institutional framework for global trade and finance. In this context, the Conference provides member States with an opportunity to take stock of and review the major international economic initiatives and developments, in particular those that have taken place since UNCTAD IX. UNCTAD should consider the strategies and policies which are most likely to ensure the successful integration of all countries concerned, particularly the developing countries, into the world economy on an equitable basis and to avoid the risk of further marginalization.

Statement by the President of the Trade and Development Board

The interests of developing countries with structurally weak, vulnerable and small economies, as well as the issues raised by the Group of 77, the European Union and other groups on 3 February 1999 in the open-ended consultations, shall be taken fully into account in the preparatory process for the Conference and the outcome of UNCTAD X.

Statement by the representative of Morocco in his capacity as Chairman of the Preparatory Committee of the Group of 77

At the Conference, and within the framework of the substantive agenda item as approved by member States, attention will need to be given to, inter alia:

thorough preparations for multilateral trade negotiations, including the development of a positive agenda for developing countries; investment and competition issues; development finance, debt relief and ODA; stability of international financial flows; reform of the international financial system; trade facilitation and trade efficiency; trade in goods and services; commodities; trade and environment; trade preferences; new information and service-based forms of economic activity and other emerging trends in trade, finance and development; enterprise development and competitiveness; transfer of technology. In all these areas, the systemic constraints that hinder development will need to be given particular consideration. In this same context, the specific problems of developing countries with structurally weak, vulnerable and small economies should be addressed in order to avoid the risk of their marginalization; the integration and full participation of these economies and all developing countries in the global economy will contribute substantially to the overall objectives of world economic growth.

Statement by the representative of Germany on behalf of the European Union

The draft agenda submitted to us aims at establishing a compromise between the different positions expressed from the very beginning of this process. The text which we have before us does not include issues which are dear to the European Union, such as civil society and private sector participation, as well as the need to improve UNCTAD's efficiency.

The two subjects mentioned above are important in our view for the success of UNCTAD X. In other words, we believe that in practical and operational terms, UNCTAD X will be judged especially on whether it can give some degree of formal and institutional shape to the contributions that, since Midrand, have begun to flow from the various components of civil society and the private sector worldwide, thanks mainly to the efforts of Mr. Ricupero. And UNCTAD will also be judged on whether it awakens fully to the need to strengthen and improve the impact of its work.

For this reason, the EU will introduce these two horizontal and systemic subjects, as well as other subjects - horizontal and specific - which are of interest to it, into the detailed agenda, to be determined during the next phase of intergovernmental discussions. These should begin immediately after the executive session of the Trade and Development Board on 5 February 1999.

Chapter II**DRAFT PROVISIONAL AGENDA FOR UNCTAD X****(Agenda item 2)**

1. The President drew the Board's attention to the draft substantive agenda item for UNCTAD X (TD/B/EX(20)/L.1), as approved at its 3 February consultations. He then read out the following statement, which had also been agreed to at those consultations: "The interests of developing countries with structurally weak, vulnerable and small economies, as well as the issues raised by the Group of 77, the European Union and other groups on 3 February in the open-ended consultations, shall be taken fully into account in the preparatory process for the Conference and the outcome of UNCTAD X".

Action by the Board

2. The Board approved the substantive agenda item and requested the Secretary-General of UNCTAD to complete the draft provisional agenda with the normal procedural items and issue the draft provisional agenda to all delegations. (For the agenda item, see chapter I above.)

Statements

3. The representative of Morocco, speaking in his capacity as Chairman of the Preparatory Committee of the Group of 77, made the following statement: " At the Conference, and within the framework of the substantive agenda item as approved by member States, attention will need to be given to, *inter alia*, thorough preparations for multilateral trade negotiations, including the development of a positive agenda for developing countries; investment and competition issues; development finance, debt relief and ODA; stability of international financial flows; reform of the international financial system; trade facilitation and trade efficiency; trade in goods and services; commodities; trade and environment; trade preferences; new information and service-based forms of economic activity and other emerging trends in trade, finance and development; enterprise development and competitiveness; transfer of technology. In all these areas, the systemic constraints that hinder development will need to be given particular consideration. In this same context, the specific problems of developing countries with structurally weak, vulnerable and small economies should be addressed in order to avoid the risk of their marginalization; the integration and full participation of these economies and all developing countries in the global economy will contribute substantially to the overall objectives of world economic growth".

4. The representative of the Russian Federation said that his delegation wanted to maintain UNCTAD's mandate as the focal point within the United Nations system for the integrated treatment of trade and interrelated development issues, and all UNCTAD activities must be based on the principle of universality, which meant that all countries or groups of countries were entitled to have their problems taken duly into account. The substantive agenda item for UNCTAD X was

generally in line with UNCTAD's mandates, and the main areas of interest listed by Morocco on behalf of the Group of 77 deserved attention, particularly new issues such as assistance for countries in their preparations for the next round of multilateral trade negotiations and analysis of the consequences and prevention of financial crises.

5. The consensus on the importance of integrating both developing countries and countries with economies in transition into the world trading system must be preserved, and the relevant decisions of UNCTAD IX and the General Assembly, as reflected in "A Partnership for Growth and Development" (TD/377, paras. 49 and 83) and General Assembly resolution 53/170, must be implemented. His delegation was confident that the interests of countries with economies in transition would be fully taken into account during the preparations for UNCTAD X, which should avoid unnecessary complications and concentrate on serious problems. His delegation would be flexible and take account of the interests of its partners, but of course cooperation was a two-way street. Finally, the views of the Russian Federation were shared by other countries with economies in transition.

6. The representative of Germany, speaking on behalf of the European Union, said the Union was prepared to accept the agenda item on the terms agreed at the Board consultations of 3 February. During the second phase of the preparatory process, a detailed agenda would be drawn up, which would mean clarifying the substantive agenda item and prioritizing the specific subtopics. The main subtopics should be limited in number so as to allow for a more prioritized approach and so as to take account of the organization's scarce resources. They should also deal with areas in which UNCTAD could reasonably be expected to have a tangible and practical impact; areas with respect to which the organization had

a comparative advantage; areas which permitted closer cooperation with other organizations, such as WTO and ITC; areas which were aimed principally at developing the capacities and institutions of developing countries and improvement of their national trade policies; and areas which were stated in such a way that at Bangkok, they could become the subject of practical decisions on the future work of UNCTAD, rather than being lengthy documents. The EU was ready to make concrete proposals for both horizontal and specific subjects in the next phase of the intergovernmental preparatory process.

7. Since Midrand, many countries had gone through difficult and turbulent times, caused by financial turmoil. Changes had taken place which would have to be analysed and taken into account by UNCTAD X under the development, trade and investment perspectives. In doing so, UNCTAD should build on the positive achievements of Midrand and ensure consistency with other important multilateral events, in particular the United Nations Millennium General Assembly and the Third LDC Conference. The next round of multilateral trade negotiations, to be launched by WTO prior to UNCTAD X, would greatly influence the Conference, and its themes would probably figure in the UNCTAD work programme for 2000 and beyond. Debates in UNCTAD would certainly contribute to the negotiating process. The EU viewed UNCTAD's contribution on issues such as trade, investment and competition as one of transferring knowledge, building confidence and fostering consensus.

8. The representative of Ukraine said that, during the consultations, his country had been among those to propose that the text on the substantive agenda item should mention the countries in transition. Ukraine had agreed to a

compromise formulation for the sake of consensus but wished to recall the principle of universality underlying the work of UNCTAD, by which the interests of all member countries should be given balanced consideration. The interests of the countries in transition should be duly reflected during the UNCTAD X preparatory process and in its documentation, in conformity with the letter and spirit of Midrand and of the resolutions adopted by the Assembly at its fifty-third session.

9. The representative of Bangladesh said that the recent financial turmoil had accentuated the need for every forum to seek solutions to contain the malaise, which threatened the developing countries with further marginalization. The crisis foreshadowed the widening gap between, and among, peoples. UNCTAD had a lead role to play in confronting and containing that alarming development, and the selection of the substantive agenda item was therefore highly appropriate. A study of developmental strategies in an increasingly interdependent world, and how to apply their lessons to make globalization a less painful process for the equitable transformation of all peoples, would be of benefit for all. A critique of related developments in such areas as debt, ODA and electronic commerce would afford an opportunity to examine their likely effects on the developing world; of particular interest would be their impact on the LDCs.

10. The preparatory processes for UNCTAD X and the Third WTO Ministerial Conference, which were taking place simultaneously, could feed into and buttress each other. The processes should help consolidate the "Geneva consensus", i.e., the intellectual acceptance of trade not as an end in itself, but as a means to development. Those two events, as well as the Third LDC Conference, should

result in a comprehensive new plan of action for LDCs to help put them on the track for development.

11. The representative of Ethiopia said he wholeheartedly supported the agenda item and was confident that the special situation of the LDCs would be fully reflected in the discussions. UNCTAD X would provide an opportunity to devise result-oriented development policies and strategies for the new century. It should provide renewed commitment for furtherance of new forms of partnership for equitable growth and development, with a view to reversing marginalization, and lay solid foundations for bridging the ever-growing gap between poor and rich. In order to make UNCTAD a viable partner in achieving those goals, the Conference should build on past experience and learn from the failures of the previous development strategy. It should review implementation of the reform programmes adopted at UNCTAD IX and focus on substantive issues with far-reaching consequences and ramifications for developing economies and peoples. Future conferences should not only be compatible with the demands of new times but should also provide the tools and instruments needed for designing and implementing development policies that could reverse the dangers of marginalization and ensure the successful integration of developing countries, especially the LDCs, into the world economy and international trading system. That was one of the major challenges facing the international community, and indeed represented a test case for the credibility of the entire United Nations system. The systemic constraints and imbalances inherent in the current global economy must be addressed in the proper context, and rectified.

12. The spokesperson for the Latin American and Caribbean Group (Uruguay) said that that group of countries approached the substantive agenda item just adopted with flexibility. It was inappropriate to lose time on futile discussions with other regional groups on specific wording. What mattered was to arrive at a broad frame of reference that would cover all of UNCTAD's areas of competence in a constructive spirit, taking account of all the profound changes the world economy had undergone. The text as adopted, taken together with the statements made by the President and the Group of 77, provided clear guidelines for future work on preparation of the substantive topics for the Conference. His Group intended to submit concrete proposals, first to the Group of 77 and then to the other regional groups, in order to begin substantive discussions on the strategic objectives of UNCTAD X.

13. The representative of China welcomed the approval of the substantive agenda item for UNCTAD X and said that discussions on concrete topics to be taken up at the Conference should take into account the specific functions of UNCTAD and make use of its universal mandate and comparative advantage. China endorsed the statement made by Morocco on behalf of the Group of 77, which listed the priority topics to be considered within the framework of the substantive agenda item. Those topics covered the burning issues in today's economy and reflected questions of concern to member States. As the Conference would formulate strategies for the new century of great importance for the international economy, and UNCTAD was the sole organization within the United Nations system mandated to help developing countries grow and develop, the topics to be taken up at UNCTAD X should be closely related to questions of real concern to developing countries and should reflect their needs and aspirations.

14. The representative of Belarus said his delegation had gone along with the draft text for the sake of consensus, but wanted UNCTAD to be consistent in carrying out its mandate. It must ensure balanced consideration of the interests of all countries, in keeping with the principle of universality, which meant that all countries or groups of countries were entitled to have their problems taken duly into account. Issues faced by countries with economies in transition had received significant attention from UNCTAD, and Belarus would like the achievements of the previous Conference to be maintained and reinforced. The problems of those countries should be reflected in the preparatory process as well as in the decisions to be adopted at UNCTAD X.

15. The representative of Norway said his delegation was pleased with the text as adopted, as it was sufficiently specific to give a sense of direction to the work ahead, but also sufficiently general to allow for flexibility. The agenda now focused on the impact of globalization on development, and several actors - Governments, intergovernmental organizations and civil society - were now involved in seeking greater understanding of the complex interrelationships of globalization and in finding adequate responses to the challenges raised. UNCTAD X would thus be part of a broader effort, both within and outside the inter-agency system, to focus on the developmental impact of globalization, and UNCTAD's future role and work should be seen as part of a whole, as a source for strengthening global responses to the new challenges. Decisions on concrete items would have to be taken, however, such as preparing developing countries for the new multilateral trade negotiations, the successful integration of those countries into the world economy, and the marginalization of LDCs. Norway was satisfied that the LDCs were now specifically mentioned in the text and endorsed

the statement made by Germany on behalf of the EU concerning the need for clear priorities.

16. The representative of South Africa associated his delegation with the Group of 77 statement. In view of the current financial turmoil afflicting some developing countries and also in view of the next round of WTO negotiations, which were likely to deal with complex issues, the issues raised by the Group of 77 should not be lost in the preparatory process or during UNCTAD X.

17. The representative of Guatemala said that her country heartily endorsed the statements made by the Group of 77 and GRULAC. Given the importance of the integration into the global market of developing countries, especially the LDCs and structurally weak, vulnerable and small economies, as well as the countries in transition, those countries should receive special attention. The "Geneva consensus", on the need to view globalization and liberalization as a means for development and not as an end in themselves, should also be borne in mind. Guatemala, speaking also on behalf of other structurally weak, vulnerable and small economies, believed that such countries should be given special consideration during both the preparatory process for UNCTAD X and in the outcome of the Conference.

18. The representative of Thailand associated his delegation with the Group of 77 statement. Since UNCTAD IX, the development prospects of many developing countries had experienced a substantial setback, moreover increasing the risk of further marginalization for other such countries. In that context, UNCTAD X would serve as a milestone in addressing the imbalances and systemic constraints

of the global economy as well as in defining development strategies and policies for the globalizing economy. In the same spirit of compromise as that evinced by the Board's adoption of the agenda item, it should be possible to produce forward-looking guidelines and policy actions for the international community to undertake with a view to reversing the problems of marginalization and enhancing growth and prosperity on an equitable basis for the global economy on the eve of the twenty-first century.

Chapter III

**REPORT OF THE WORKING PARTY ON THE MEDIUM-TERM PLAN AND
THE PROGRAMME BUDGET ON ITS THIRTY-THIRD SESSION**

(Agenda item 3)

19. For its consideration of this item, the Board had before it the following documentation:

Agreed conclusions of the Working Party on the financial sustainability of selected technical cooperation programmes (TD/B/WP/L.85);

Decision of the Working Party on UNCTAD's technical cooperation plan for 1999-2001 (TD/B/WP/L.86);

Agreed conclusions of the Working Party on the in-depth evaluation of the Trade Point programme (TD/B/WP/L.87);

Draft report of the Working Party on its thirty-third session (TD/B/WP/L.88);

Agreed recommendations of the Working Party on the draft programme budget for the biennium 2000-2001 (TD/B/WP/L.89);

Proposals for the draft programme of work for the biennium 2000-2001 (UNCTAD/ISS/Misc.200/Rev.1).

20. The representative of France, speaking in his capacity as Chairman of the Working Party at its thirty-third session, introducing the outcome of the Working Party's session held on 25-29 January 1999, drew attention to an amendment made to agreed recommendations TD/B/WP/L.89 and informed the Board that the Working Party wished to meet at the end of April in order to review the budget as a whole, once it had been finalized by the Secretary-General of the United Nations.

21. The Board endorsed the agreed recommendations of the Working Party, contained in document TD/B/WP/L.89, as amended, took note of the proposals for the draft programme of work for the biennium 2000-2001 (UNCTAD/ISS/Misc.200/Rev.1) and invited the Secretary-General of UNCTAD to take those proposals into account. It also endorsed the agreed conclusions of the Working Party on financial sustainability of selected technical cooperation programmes (TD/B/WP/L.85) and its agreed conclusions on the in-depth evaluation of the Trade Point programme (TD/B/WP/L.87), as recommended by the thirty-third session of the Working Party. It further took note of UNCTAD's technical cooperation plan for 1999-2001 (TD/B/EX(20)/3), which had been revised as a result of decision TD/B/WP/L.86. (For the text of the agreed conclusions and recommendations, see the report of the Working Party on its thirty-third session in document TD/B/46/2-TD/B/WP/115).

22. The representative of Switzerland said that, with regard to partial cost recovery, although he had expected more, the consensus reached by the Working

Party (TD/B/WP/L.85) was welcome, and the concept of partnership introduced in the new mechanism would contribute to the sustainability of the technical cooperation programmes concerned. He hoped that that mechanism would now be introduced rapidly and possibly developed further. With regard to the evaluation of the Trade Point programme, the study funded by Switzerland had made it possible to identify the programme's strong and weak points. The Trade Point concept was appreciated by all, although much now remained to be done to improve the programme.

23. The representative of Germany, speaking on behalf of the European Union, said that, with regard to publications policy, the response rate for the latest readership survey had been only 5 per cent, and better methods must be found to obtain feedback on publications. In that connection, the secretariat should respond positively to requests to meet interested groups and countries to assess demand for UNCTAD's publications. Finally, the projection of negotiating texts in meeting rooms should be extended to other meetings.

24. The representative of the United Kingdom said his delegation supported the recommendations of the Working Party, particularly that any future implications for the programme of work resulting from the Board's consideration of the results of the Lyon Summit should be submitted to the Board for approval.

Chapter IV

**REPORT OF THE SECRETARY-GENERAL OF UNCTAD ON THE OUTCOME OF
THE PARTNERS FOR DEVELOPMENT SUMMIT HELD IN LYON, FRANCE,
FROM 9 TO 12 NOVEMBER 1998**

(Agenda item 4)

25. For its consideration of this item, the Board had before it the following documentation:

Report of the Secretary-General of UNCTAD on the outcome of the Partners for Development Summit held in Lyon, France, from 9 to 12 November 1998
(TD/B/EX(20)/2;

Partners for Development: Compilation of Partnerships (UNCTAD/PFD/INF.2)

26. The Deputy Secretary-General of UNCTAD introduced the report of the Secretary-General of UNCTAD on behalf of the latter. He said that, in pursuit of the objective defined at UNCTAD IX of creating a durable partnership for development, the Secretary-General of UNCTAD had been mandated by the Conference to convene a meeting with actors in development for the purpose of deriving lessons on how to enhance the participation of civil society in UNCTAD.

Responding to that mandate inevitably implied moving into largely uncharted territory, as it was one example of the pace of change in development thinking outstripping the capacity of institutions to adapt to change. What was needed was a clear framework for cooperation and partnership in today's globalized world, which provided precise limits to the activities of the secretariat while allowing some flexibility of operation within those limits.

27. The Lyon meeting had been a first attempt at giving concrete expression to the civil society and business partnership concept launched by UNCTAD IX. It had done so by exploiting UNCTAD's characteristics as a universal organization with a development vocation, put into practice through the medium of policy advice and technical cooperation, and backed by a strong research capacity. That explained the wide range of partnerships which had matured at Lyon. The purpose throughout had been to use the UNCTAD forum as a catalyst to bring together interested actors in development in a way that would also enhance the effectiveness of UNCTAD's own activities.

28. In choosing the areas considered most amenable to fostering partnerships, the objective had been to focus on projects in areas which promised to have the greatest impact on the intended beneficiaries and which projects should moreover be based on areas where UNCTAD had established expertise. Those must remain guiding principles in the further evolution of UNCTAD's relations with civil society and the private sector.

29. The Lyon meeting had been a test case based on certain premises whose validity remained to be fully tested, and that process would be addressed during

preparatory activities for UNCTAD X. Those activities would hopefully give a broader dimension to the concept of integrating civil society into the organization's work, in that they would be engaging non-governmental actors of all kinds in a process of collective reflection on the Conference agenda and on multilateral experience in promoting development. A forward-looking aspect would be the Book of Hopes, in which sensible, practical proposals could be gathered from the grassroots and presented to the Conference. The process would have both an educational and a capacity-building dimension, emphasizing civil society in developing countries, and working alongside representative bodies of the business community.

30. The report on Lyon reached some tentative conclusions, such as that the partnership concept, with further refinements and placed within a clear legal and operational framework, could serve as a useful vehicle to enhance the participation of civil society and of the private sector in UNCTAD's activities in the pursuit of shared development objectives. It also concluded that there was a need for more continuity in the participation of civil society in UNCTAD's institutional life, while keeping the political control of all of UNCTAD's activities in the hands of its member States. The UNCTAD experience as exemplified by Lyon had been studied with keen interest by other agencies in Geneva, and an inter-agency working group had been set up to examine relations between the United Nations, NGOs and the private sector with the aim of developing possible guidelines and norms.

31. At the same time, the report raised a number of fundamental legal and practical questions which remained unanswered. While other agencies had long

faced problems in choosing legitimate or representative partners in the private sector, those partners were usually non-profit bodies, whereas working on operational projects with profit-seeking partners was clearly more problematic; association with the United Nations could be interpreted as giving an unfair commercial advantage over its competitors, national and international. The potential for conflicts of interest in which the neutrality of the United Nations could be compromised was apparent. One source of enlightenment and guidance would be the practical experience derived from the implementation of the partnerships launched at Lyon.

32. The Director of the Division for Services Infrastructure for Development and Trade Efficiency said the Lyon Summit, which had its roots in the desire of member States to get civil society more involved in UNCTAD's work, would lead to more important changes than previous conferences. Given the change in the relative weight of Governments in economic development, and declines in ODA, it was believed that increased private sector resources could be made available for development as long as the motivation, and the means, existed. In addition, NGOS working directly with the world's poorest people could share their experience in the field and bring their concerns to bear.

33. Accordingly, at UNCTAD IX the Secretary-General of UNCTAD had proposed the establishment of a statutory body, comprising representatives of Government, NGOS, the private sector and international organizations, which would have a consultative role and a strong mandate, but be under the control of the Trade and Development Board. Because of concerns over the involvement of the private sector, a compromise had been adopted, that of forming partnerships to mobilize

material and human resources towards development through dialogue and common action by Governments, civil society and the public and private sectors. In organizing a meeting to create such partnerships, the secretariat had had no precedents or models, but had decided to make it a large meeting, as its outcome would be far-reaching. The problem of legitimacy had been resolved by choosing representatives based on their potential contribution to development. The secretariat had also decided to invite full participation at Lyon by NGOs which typically functioned as critics or watchdogs and at previous conferences had staged alternative or parallel events.

34. Topics had been chosen from areas in which UNCTAD was knowledgeable and in which it could have an impact on development. One such area was electronic trade, as by the year 2002 the share of developing countries in that market would be decisive for development; a segment of the Summit had been devoted to the topic, with a sub-item on transport, particularly its trade efficiency aspects, as called for by member States at UNCTAD IX. The second segment concerned profit and development and addressed such issues as commodities; micro-finance; investment; and biotrade. Sessions had also been organized by the International Trade Centre UNCTAD/WTO, United Nations Development Programme, United Nations Conference on International Trade Law, World Bank and International Monetary Fund.

35. Civil society had participated in great numbers, and of a total 2,800 participants, 1,400 were from the private sector. In addition, some 170 countries had been represented, which was very rare for international conferences. The format had excluded speech-making, enabling participants to

concentrate on the substance and to learn, understand and bring solutions back home. The Summit had succeeded in providing the secretariat with the basis for proposals on how to integrate civil society into UNCTAD's work. It had, however, been handicapped by the lack of a legal framework, and that was an important problem still to be resolved.

36. The spokesperson for the **Latin American and Caribbean Group** (Brazil) said the level of participation at the Summit proved the success of the event. Latin America and the Caribbean had been well represented, and some of the partnerships launched were of particular interest to the region. The real importance of the Summit lay in the new avenues opened, through which new working methods could be developed. Follow-up to the partnerships would be of great interest, but it was important to emphasize the intergovernmental nature of UNCTAD and the need to keep control within the hands of member Governments. His Group shared the concern for the need to review the organization's working methods and absorb new resources, and was ready to consider proposals for increasing the participation of civil society.

37. The representative of **Turkey** said the relevance of UNCTAD lay in its output for end-users, who were not necessarily Governments. Cooperation with the private sector had its own features, however, and required a different approach from that used with NGOS and academia, as material interest was in question. Her delegation agreed with the report (paras. 25-27) on the need to establish clear guidelines on dealing with the private sector, which should encourage greater participation, should not question the organization's ethical, moral or legal liability but should keep UNCTAD's activities under the supervision of its member

Governments. Partners from the private sector should be briefed on UNCTAD and United Nations working methods. The Secretary-General of UNCTAD should provide his views on how to do business with the private sector and the steps to be taken, for discussion prior to UNCTAD X.

38. The representative of the United States applauded Lyon as a first step in bringing together Governments, international organizations, academia, the private sector and NGOS. His Government would generally have no problems with joint research projects with academic institutions or NGOS but was concerned about potential problems that could easily arise from UNCTAD partnerships with commercial enterprises. It was essential that member States have the opportunity to review any ground rules established for such activities by the Secretary-General of UNCTAD before any such partnerships moved forward.

39. His delegation recognized the importance of removing barriers that could block developing countries' participation in global electronic commerce, but wanted more information on the partnership entitled "Promoting a Predictable Legal Environment for E-Commerce" before the proposal was put into effect. The United States would first like to know what was meant in the document by "an appropriate legal framework", and also to review the principles that would guide the recommendations of UNCTAD's private sector partners to ensure that they removed barriers rather than unwittingly create them. Any recommendations for legislative reform should foster a minimalist, stable, private sector-led and technology-neutral framework for electronic commerce. He also wished to know how participating firms had been chosen and whether other firms could join the partnership, should member States consider the proposal appropriate, and he

welcomed the establishment by the Secretary-General of UNCTAD of an inter-agency working group to prepare guidelines for increased transparency in the process of developing partnership proposals.

40. The representative of Japan said that, although Lyon had been a success for its action-oriented results and unique approach, it could not necessarily provide real substance, especially in connection with the needs of LDCs, such as attracting investment opportunities, and had failed to present the concrete problems they faced. Some sessions had been mere business forums, without any UNCTAD input, and the Summit had also failed to achieve balanced regional representation, with remarkably few participants from Asia, and East Asia in particular. The participation of high-level policy-makers from developed countries had been quite disappointing as well, and in general the role of Governments in the entire process had been very limited.

41. It was important to rethink the role of the public sector in furthering a public-private sector partnership. His delegation shared the concern for clear guidelines on strengthening UNCTAD's ties with civil society; such guidelines should be established as soon as possible, and there should be regular reports on follow-up to the partnerships launched.

42. The spokesperson for the African Group (Kenya) said his Group was concerned that the Summit had marginalized Africa. Discussions on the partnership concept must take into account the fact that the concept of private sector-led growth had been universally accepted as an essential ingredient of economic policy-making. In that regard he welcomed joint actions by UNCTAD and the private sector to

address the anomaly of Africa's marginalization from FDI flows. The Lyon session on mobilizing resources for FDI flows to LDCs should be used as a model, as there was no clear framework for such cooperation. In discussing the partnership concept it was also important to differentiate among NGOS, some of which had considerable expertise in such fields as investment and debt relief and whose power could be harnessed for developing countries.

43. The representative of Egypt said that, through the direct interaction, dialogue and exchange of information at the Summit, his country had set up links with participants in important areas of development and trade. The report of the Secretary-General of UNCTAD raised important questions, such as UNCTAD's role and goal in assisting developing countries to achieve development. The participation of NGOs in UNCTAD's activities was welcome as long as it contributed positively to the outcome of development policies and strategies. That contribution was governed by the different nature, role and responsibility of all the actors. Non-governmental participation must be a tool for improving UNCTAD's role, and not an end in itself. The question as to which mechanism should identify NGOs to be invited to participate in the organization's activities, and whether the Board, in its current form, was the appropriate such mechanism, should be addressed, along with the different aspects of partnerships, particularly the legal aspect. The partnership agreements were a model of what UNCTAD could do, and the unconventional use at the Summit of its secretariat as a vehicle for direct interaction among all parties, on all subjects, which had moreover been carefully selected to depart from the usual course, was a model that could be applied elsewhere. A comprehensive report on all the Lyon sessions would be welcome.

44. The spokesperson for the Asian Group and China (Islamic Republic of Iran) said those countries saw the need to review the implications of the Summit and its contributions to development as well as UNCTAD's role in promoting development. The idea of more active participation by all actors in development warranted further discussion, as it required some ground rules and the proper framework. Since the fall of man, the question had been asked, "What is mine, and what is yours?", and that question was appropriate in the present context. There were certain domains for Governments and others for civil society; boundaries had to be defined in order to avoid problems. UNCTAD's enthusiasm for the involvement of development actors should not, however, lessen the responsibility of Governments for the work of the organization.

45. His Group attached importance to promoting the role of UNCTAD in the integrated treatment of the development issues of trade, finance, investment and technology. That process required much deliberation, an opportunity for which would be provided by UNCTAD X and its preparatory process.

46. The representative of Switzerland said the Summit had constituted the first bridge built towards a basis for common action by NGOs and other actors in development, with their own resources and expertise, and no longer just Governments. Nevertheless, the new path to be taken would also raise questions, and further analysis would have to cover the advantages and disadvantages that could emerge from Lyon on the road to UNCTAD X. His delegation was willing to participate in continued secretariat action on guidelines and a clear legal framework.

47. The representative of Germany, speaking on behalf of the European Union, said the report raised conceptual questions on UNCTAD's future role in involving NGOs in its work. UNCTAD's strategy should have a more closely defined conceptual and empirical basis. The establishment of partnerships should not be seen as the only way to improve interaction with civil society. The Union was looking forward to receiving the proposal of the Secretary-General of UNCTAD for an intergovernmental debate on that issue prior to UNCTAD X. The idea for a consultative body under the Trade and Development Board would be carefully considered by the EU.

48. The representative of the Republic of Korea said the Summit had been a successful and meaningful venture for which tangible and productive follow-up measures were needed. The proposals contained in the report, including those on UNCTAD's methods of work, warranted comprehensive discussion prior to, and during, the Conference. Initiatives similar to Lyon should contribute to promoting the cause of development in the coming years with renewed strength, and his delegation would continue trying to sensitize its own private sector about the ongoing initiative as well as to bring its own input to UNCTAD's work.

49. The representative of Costa Rica said the concerns of the Secretary-General of UNCTAD on the selection of partners would require more thought. The summit had generated great enthusiasm and opened new doors for information on how to solve the problems arising from the world's financial turmoil. Follow-up would, however, be essential, and it was especially important to take the experience of the first wave of partnerships into account.

50. The representative of the United Kingdom said future partnerships must be conducted within established guidelines, and in that connection his delegation supported the call made to member States by the Deputy Secretary-General of UNCTAD at the previous meeting of the Working Party on the Medium-term Plan and the Programme Budget for fully transparent legal guidelines from United Nations Headquarters.

Action by the Board

51. The Board took note of the discussion. Issues relating to the follow-up to the Partners for Development Summit would be taken up in the consultations of the President.

Chapter V

OTHER BUSINESS

(Agenda item 5)

(a) Outcome of the meeting of the extended Bureau of the Commission on Enterprise, Business Facilitation and Development on its third session

52. The Board approved the recommendation of the Bureau of the Commission on Enterprise, Business Facilitation and Development to convene only one expert meeting for 1999 on capacity-building in the area of electronic commerce, which would take place from 14 to 16 July 1999. It further invited the secretariat to explore the possibility of convening a Secretary-General's ad hoc group of experts on issues raised by the in-depth external evaluation of the Trade Point programme by the Working Party on the Medium-term Plan and the Programme Budget and authorized the President of the Board to adjust the calendar of meetings for 1999 accordingly.

(b) Invitation to the United Kingdom Secretary of State for International Development to address the Board on 2 March 1999

53. The President informed the Board that, on learning of the presence in Geneva of the United Kingdom Secretary of State for International Development on

2 March 1999, he had taken the initiative of inviting her to address an open session of the Board on that day.

(c) Restructuring of the UNCTAD secretariat

54. The representative of **Tunisia** said that her delegation had experienced great difficulty in obtaining information on secretariat staffing levels from UNCTAD's administrative service in December 1998. Her delegation wanted a strong and efficient secretariat, not a small paralysed one. The goal was not "downsizing" but "rightsizing".

55. The representative of the **United States** asked what progress had been made in respect of the replacement of the Director of the Trade Division. In that connection, she failed to understand the secretariat's proposal, in the programme budget process, to reduce the number of posts in the Trade Division.

56. The representative of **Egypt** asked why there was still no Special Coordinator in the Special Economic Unit for the Palestinian People, in conformity with General Assembly resolution 52/220.

57. The **Deputy Secretary-General of UNCTAD** said it was hoped that the matter of the replacement of UNCTAD's Chief of Administration would be settled in the near future, and problems such as that raised by Tunisia would be quickly resolved. Concerning the vacant post of Director of the Trade Division, the ad hoc panel set up by the Secretary-General of UNCTAD had just made its recommendation to the Secretary-General. With regard to the staffing of the

Trade Division, as a result of the Working Party's discussions the proposal to reduce the Division's staff by four professional posts had been reviewed and two of the posts in question had been reinstated in the Division. It was hoped that a third would also be reinstated. Concerning the fourth post, however, its functions were interdivisional (centring on the relationship between trade and investment) and those functions were being transferred to an interregional adviser L post in EDM, thus releasing a D.1 post, to be devoted to cross-cutting issues. Finally, concerning the Special Economic Unit, an acting coordinator was in place as a temporary measure, but it was intended to transfer the responsibilities of the Special Coordinator to the coordinator for cross-cutting issues; the Special Economic Unit would be further strengthened by the addition of a P.2 post.

(d) Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting

58. The representative of Germany, speaking on behalf of the European Union, said that the European Union had continued interest in the evaluation of the Intergovernmental Working Group of Experts, and it hoped that the informal consultations on the matter would be resumed after the next session of the Group.

59. The representative of Uganda, speaking as Vice-President of the Board and Chairman of the informal consultations, said it was his intention to resume the consultations once the views of the Group itself had been obtained. It was hoped that interpretation would be provided for the consultations.

Chapter VI

ORGANIZATIONAL MATTERS

(Agenda items 1 and 6)

A. Opening of the session

60. The twentieth executive session of the Trade and Development Board was opened on 5 February 1999 by Mr. Chak Mun See (Singapore), President of the Board.

B. Bureau of the twentieth executive session

61. There being no change in the elected officers of the Bureau since the forty-fifth session, the Bureau of the Board at its twentieth executive session was as follows:

President: Mr. Chak Mun See (Singapore)

Vice-Presidents: Mr. Nobutoshi Akao (Japan)

Mr. Carlos Amat Fores (Cuba)

Mr. Petko Draganov (Bulgaria)

Mr. Savitri Kunadi	(India)
Mr. Roderic M.J. Lyne	(United Kingdom of Great Britain and Northern Ireland)
Mr. Syargei Mikhnevich	(Belarus)
Mr. Alphonse Oseku	(Uganda)
Mr. Carlos Pérez del Castillo	(Uruguay)
Mr. Raimundo Pérez-Hernández	(Spain)
Mr. Mounir Zahran	(Egypt)
Rapporteur: Mr. Philippe Merlin	(France)

C. Adoption of the agenda

(Agenda item 1)

62. The Board adopted the provisional agenda for its twentieth executive session (TD/B/EX(20)/1), as amended. (For the agenda as adopted, see annex I.)

D. Report of the Board on its twentieth executive session

63. The Board authorized the Rapporteur to complete the report on its current session under the authority of the President.

ANNEXES

ANNEX I

AGENDA FOR THE TWENTIETH EXECUTIVE SESSION OF THE BOARD

1. Adoption of the agenda
2. Draft provisional agenda for UNCTAD X
3. Review of the Working Party on the Medium-term Plan and the Programme Budget on its thirty-third session
4. Report of the Secretary-General of UNCTAD pursuant to paragraph 119 of "A Partnership for Growth and Development" on the outcome of the Partners for Development summit held in Lyon, France, from 9 to 12 November 1998
5. Other business
 - (a) Outcome of the meeting of the extended Bureau of the Commission on Enterprise, Business Facilitation and Development on its third session

- (b) Invitation to the United Kingdom Secretary of State for International Development to address the Board on 2 March 1999
- (c) Restructuring of the UNCTAD secretariat
- (d) Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting

7. Report of the Board on its twentieth executive session

Annex II**ATTENDANCE 2/**

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Algeria	Guatemala
Angola	Hungary
Australia	India
Austria	Iran (Islamic Republic of)
Bangladesh	Iraq
Barbados	Ireland
Belarus	Israel
Belgium	Italy
Bhutan	Jamaica
Bolivia	Japan
Brazil	Jordan
Bulgaria	Kenya
Canada	Lebanon
Chile	Lithuania
China	Madagascar
Colombia	Malaysia
Costa Rica	Malta
Côte d'Ivoire	Mauritania
Croatia	Mauritius
Cuba	Mexico
Czech Republic	Morocco
Democratic People's	Myanmar
Republic of Korea	Nepal
Ecuador	Netherlands
Egypt	Nigeria
Ethiopia	Norway
Finland	Oman
France	Panama
Gabon	Paraguay
Georgia	Peru
Germany	Philippines
Ghana	Portugal

Republic of Korea
Russian Federation
Senegal
Singapore
Slovakia
South Africa
Spain
Sri Lanka
Sudan
Sweden
Switzerland
Thailand
Trinidad and Tobago
Tunisia

Turkey
Uganda
Ukraine
United Kingdom of Great
Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Venezuela
Yemen
Zambia

*/ For the list of participants, see TD/B/45/INF.3.

2. The following other States member of UNCTAD, not members of the Board, was represented as observers at the session:

Holy See

3. The following intergovernmental organizations were represented at the session:

Agency for Cultural and Technical Co-operation

Arab Labour Organization

European Community

League of Arab States

Organization of African Unity

South Centre

4. The following specialized agencies and related organization were represented at the session:

International Labour Organization

Food and Agriculture Organization of the United Nations

World Health Organization

International Monetary Fund

World Trade Organization

5. The United Nations Environment Programme was represented at the session. The International Trade Centre UNCTAD/WTO was also represented at the session.

6. The following non-governmental organizations were represented at the session:

General Category

International Chamber of Commerce

International Confederation of Free Trade Unions

World Federation of United Nations Associations

World Savings Bank Institute

Special Category

International Council of Nurses
